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Intelligence Report

Directorate of Intelligence

4 June 1996

Intelligence Monitoring of North Korea's Implementation of the US-DPRK Agreed Framework (21 April-21 May 1996)

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This memorandum was prepared by analysts throughout the Directorate of Intelligence and was coordinated within the Intelligence Community. This is a monthly report that updates policymakers on developments related to North Korea's implementation of the US-North Korean nuclear agreement. Information available as of 4 June 1996 was used in this report. Comments and queries are welcome and may be directed to

CIA/WTP 96-40038C

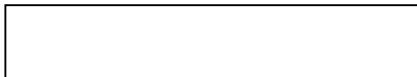
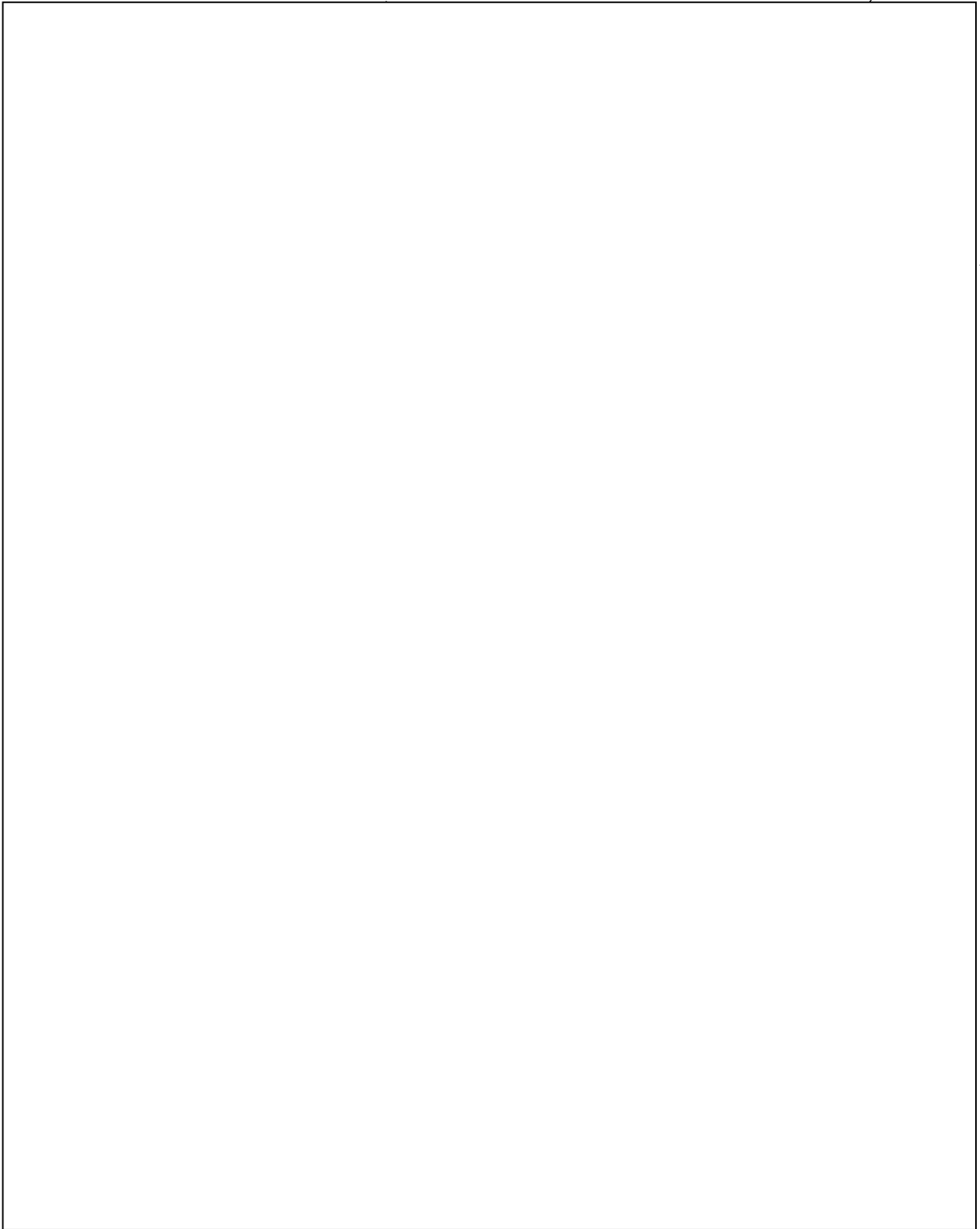
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Implementation of Light-Water Reactor (LWR) Agreement

The fifth KEDO survey team visited the designated LWR site at Sinp'o from 28 April to 6 May to evaluate infrastructure requirements, including harbor facilities, roads, and electric power supply, according to press. Led by a KEDO technical adviser, the 13-member team included technicians from the Korean Electric Power Corporation, the designated prime contractor for the project.

Negotiations on Privileges and Immunities. After six weeks of negotiations KEDO and North Korean representatives on 21 May reached agreement on a protocol on juridical issues, privileges and immunities, and consular protection. According to press, KEDO personnel will be entitled to diplomatic privileges and immunities in accordance with international law. The protocol provides, in part, that:

- KEDO, its staff, and the representatives to KEDO of member countries will hold diplomatic privileges and immunities similar to those granted international organizations and diplomats.
- "KEDO persons," including representatives and employees of the prime contractor and subcontractors, are granted privileges and immunities identical to those granted KEDO staff with regard to property, assets, income, and activities. KEDO and North Korea will consult on the handling of cases where the North deems there has been an abuse of such privileges for an act not related to KEDO functions.
- KEDO is empowered to exercise consular protection functions within the LWR project site, related locations such as seaports and airports, and temporary or ad hoc locations used for meetings and other activities associated with the LWR project or emergencies.

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Negotiations on communications and transportation protocols. As of 20 May, North Korean negotiators continued to oppose the early establishment of an independent satellite communications link for KEDO.

- The North proposed that KEDO establish a system two years after the site certificate is issued, assuming the project was proceeding smoothly. [redacted] this would enable KEDO to set up the system approximately when the first concrete is poured during the plant construction phase. KEDO reportedly wants to install the system six months after the site is certified, but is willing to link the startup date to the timing of physical construction work at the site. The North also agreed to grant KEDO the use of cellular phones, but only if they are not connected to the satellite system. [redacted]

Regarding transportation arrangements, the North Koreans agreed to permit small cargo ships in addition to barges to use a 5 nautical mile-wide sea corridor beginning 15 nautical miles offshore. KEDO has proposed a 7 nautical mile-wide corridor beginning 10 nautical miles offshore. The North also said it would agree to permit the transport of personnel via the high seas only when the LWR project requires it.

[redacted]
The North agreed to permit cargo flights to fly non-stop from South Korea via agreed lanes into North Korean air space via Japan and Russia. The North Koreans continued to insist that flights carrying KEDO or contract personnel would be required to stop in Niigata before proceeding on the existing Japan-North Korea air charter route,

[redacted] Moreover, the North stated that South Korean aircraft could not be used to transport personnel or materials until direct North-South air routes existed; the North remains adamantly opposed to opening such routes. [redacted]

No progress was made in resolving differences over the use of flags and markings on ships and aircraft traveling to North Korean harbors and airports in support of the project. [redacted]

US-North Korean Liaison Offices

There were no developments during the reporting period regarding the exchange of liaison offices. [redacted]

North-South Dialogue: Slow Circling

During a visit to Washington in early May, Yi Chong-hyok, Vice Chairman of North Korea's Asia-Pacific Peace Committee, [redacted] it was "not impossible" for P'yongyang to meet Seoul's conditions that further food talks be

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conducted between Government representatives and that the meetings take place on the Korean Peninsula. Yi said, however, that the arrangements would have to be worked out quietly in advance.

- Yi also claimed that South Korean statements conditioning additional food aid on the North's acceptance of the joint US-South Korean proposal for four-party peace talks had created "great anger" among the North Korean military and others. []

North Korean media attacks against the Kim Yong-sam government continued during the reporting period. P'yongyang condemned joint US-South Korean air exercises on 20-21 May as practice for "surprise preemptive strikes" against North Korean targets. Media commentaries directed at the domestic North Korean audience rejected Kim Yong-sam's call for the resumption of North-South dialogue as "gibberish." The commentators accused Kim of blocking dialogue and "trampling down" the North-South Agreement of 1992 and the Joint Declaration on Denuclearization, and of trying to frustrate US-North Korean talks and the implementation of the Agreed Framework.

[]
Beginning in late April, Seoul began taking limited steps to lift restrictions on private North-South economic cooperation, non-official aid, and private travel, []

- Seoul on 27 April announced approval of three pending economic projects involving a total investment in North Korea of \$19 million, the projects involved a communications center at the Najin-Sonbong Special Economic Zone, a mineral water plant, and an electric appliance assembly facility.
- A representative of the quasi-official Korea Overseas Trade and Investment Organization (KOTRA) in late April also held private talks in Singapore with North Korean economic officials, according to press.
- The Korean Red Cross on 17 May delivered some 186,000 liters of cooking oil to the North through the International Federation of the Red Cross and Red Crescent.
- The government began to quietly lift the ban on visits to North Korea by religious groups and other non-governmental organizations—but still stopped a South Korean academic delegation from participating with North Korean officials in a symposium at a US university.

Seoul also announced it was moving forward with plans to build a "peace city" in the DMZ that would serve as a center for North-South exchanges of personnel and materials "pending national unification." []

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In spite of such gestures, senior South Korean officials involved in unification matters remained opposed to providing additional food aid unless P'yongyang agrees to participate in four-party peace talks or to resume the official North-South dialogue,

[redacted]

[redacted] Kim Yong-sam's fear of criticism from the conservative mainline press and the predilection to modulate the government's North Korean policy for domestic political advantage were frustrating the desire of many South Koreans for a more flexible approach and the delinking of humanitarian assistance from inter-Korean politics. [redacted]

Implementation of the North-South Denuclearization Declaration (NSDD)

No new developments to report. [redacted]

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